

VIP Gloves Limited

ABN 83 057 884 876

Annual Report - 30 June 2024

VIP Gloves Limited
Corporate directory
30 June 2024

Directors	Alfonso Hin Ming CHU - Non-Executive Director, Independent and Board Chair Chin Kar YANG – Managing Director Kay Wen CHEN - Executive Director Gang ZHOU - Non-Executive Director, Independent Hui ZHOU - Non-Executive Director, Independent
Company secretary	Mark William MAINE
Registered office	C/- Coote & Associates C7, 1-3 The Esplanade, Mount Pleasant, WA 6153 Australia
Principal place of business	No. 17 Jalan Perusahaan 1, Kawasan Perusahaan, Beranang 43700 Beranang, Selangor Darul Ehsan Malaysia
Share register	Boardroom Limited Level 8, 210 George Street Sydney NSW 2000 Investor phone number: (Australia) 1300 737 760 Investor phone number: (Overseas) +61 (0) 2 9290 9600
Auditor	Hall Chadwick Melbourne Chartered Accountants Level 14. 440 Collins Street Melbourne VIC 3000 Australia
Bankers	Westpac Banking Corporation Ltd, Melbourne, Australia Hong Leong Bank, Kuala Lumpur, Malaysia
Stock exchange listing	VIP Gloves Limited shares are listed on the Australian Securities Exchange (ASX code: VIP) VIP securities have been suspended from trading since 7 February 2023
Website	www.vipglove.com.my

VIP Gloves Limited
Directors' report
30 June 2024

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of VIP Gloves Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were Directors of VIP Gloves Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Alfonso Hin Ming CHU - Non-Executive Director, Independent and Board Chair (*appointed as Director 1 August 2023*)
Chin Kar YANG - Managing Director
Kay Wen CHEN - Executive Director
Gang ZHOU - Non-Executive Director, Independent (*appointed 1 August 2023*)
Hui ZHOU - Non-Executive Director, Independent (*appointed 1 August 2023*)
Dr Kai Fatt WONG - Non-Executive Chairman, Independent (*resigned 23 February 2024*)

Principal activities

The principal activity of the Company during the financial year was the production of nitrile gloves in Malaysia under its wholly owned Malaysian subsidiaries, VIP Glove Sdn Bhd ("VIP Glove") and KLE Products Sdn Bhd ("KLE Products"). It was also engaged in trading activities, involving sourcing of nitrile glove products from third party manufacturers for the Company's customers.

Dividends

There is no franking account balance as the dividends were unfranked.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,659,830 (30 June 2023: \$13,449,239).

Revenue for the FY2024 rose substantially to \$2,867,812 (30 June 2023: \$1,743,030), supported by higher trading activities of glove products and improved average selling prices. Compared to the gross loss of \$1,791,226 suffered during the previous financial year, it managed to achieve a break-even position in FY2024.

Overall expenses were lower at \$2,935,760 (30 June 2023 : \$12,949,086) due to the magnitude of the impairment exercise carried out during the previous financial year. As a result, the loss after income tax expenses was also lower at \$2,659,830 (30 June 2023 : \$13,449,239).

The operations at the glove manufacturing facility remained suspended during the financial year, following the temporary shutdown of the plant operations since December 2022. Hence the Company mainly focused on trading and reselling of a wide range of glove products, whilst awaiting a suitable time for resumption of manufacturing activities. Thus allowing the Company to ensure its long-term business relationships with its customer base.

The Company has received letters of financial support and undertaking from two significant shareholders to provide financial assistance to enable the Company to continue business operations if required.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 3 May 2024, the Company entered into a Sale and Purchase Agreement for the disposal of a non-core vacant land asset measuring 13,203 sqm for a cash consideration of approximately \$2.65 million (MYR7,952,313). After year end, the term loan as per note 12 attached to the asset was redeemed, and the transaction is earmarked for full completion by early 2025.

The Company has started the refurbishment of its plants and machineries since mid-2024 and has resumed manufacturing operations with one (1) production line in operations since January 2025. It plans to increase its production capacity gradually. In line with the increase in orderbooks, and targets to achieve full capacity of with six (6) lines in operations by the third quarter of 2025.

The legal case initiated by the plaintiff since November 2020 is still on-going. (For further details, refer to note 18 'Contingent liabilities').

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No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Company has secured interests from certain potential investors for the subscription of up to 288 million new VIP ordinary shares at \$0.008 per share to raise gross proceed of approximately \$2.304 million. This placement exercise is subject to shareholders' approval during the forthcoming AGM to be held on 21 January 2025, and ASX's granting of re-quotation of VIP shares.

Key risks and mitigation activities associated with the Company's objectives are set out below:

Operational risk	The Company is resuming its manufacturing activities after ceasing operations for almost two years. Certain machineries and equipment required services and overhaul, some parts would need to be replaced as well. Hence, there could be some hic-cup in the production flows during the initial few months.
Competitor risk	Price competition in the nitrile glove industry is on-going, although the anticipation of escalating import tariffs by the United States on gloves from the People's Republic of China would somewhat put them in a disadvantage position. As a mitigating strategy, the Company will be focusing on the production of higher-grade nitrile gloves such as 5 to 6 gram gloves where competition is less.
Business risk	The anticipated recovery of nitrile glove business worldwide has somewhat taken longer time than expected. The Company plans to find a niche market within the glove sector to mitigate the over-crowded environment to ensure sustainable demand with reasonable margins.
General risk	The ability to manage working capital and cashflow effectively given external industry specific risks. Hence, aggressive cost cutting measures and effective austerity drive are crucial to keep the company afloat.
Going concern risk	With the resumption of manufacturing activities, effective cashflow management is crucial to ensure sufficient fundings to support the purchase of raw materials. The soon-to-be-completed disposal of non-core assets, coupled with the proposed share placement exercise will provide additional cash inflow to support working capital requirements.

Environmental regulation

The Company's operations are not subject to any significant environmental regulations under the law of the Commonwealth and State in Australia and Malaysia.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Information on Directors

Name:	Chin Kar YANG
Title:	Managing Director
Experience and expertise:	Mr Yang has extensive manufacturing and property management experience in Malaysia. He is also Managing Director of VIP Glove Sdn Bhd and KLE Products Sdn Bhd.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	12,500,000
Name:	Kay Wen CHEN
Title:	Executive Director
Qualifications:	BS (Hons) in Business Administration
Experience and expertise:	Ms Chen has been managing the finance and administration functions of VIP Glove Sdn Bhd and KLE Products Sdn Bhd since 2010
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	59,545,948

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Name: Alfonso Hin Ming CHU
Title: Non-Executive Director, Independent (appointed 1 August 2023)
Experience and expertise: Mr Chu has over 40 years' experience in the property industry in Asia-Pacific region. He holds an MBA degree and is a fellow member of both the Royal Institute of Chartered Surveyors and the Chartered Institute of Building of the United Kingdom. Mr Chu is actively engaged in advising high net wealth family office clients as well as public entities, in financing structures and asset and wealth management strategies. He is based in Hong Kong.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: Nil

Name: Gang ZHOU
Title: Non-Executive Director, Independent (appointed 1 August 2023)
Experience and expertise: Mr Zhou is an accountant with significant business experience in Australia and Asia-Pacific region. He has over 40 years' experience in managing business experience in the food and beverage industry and the property industry in the Asia-Pacific region. Mr Zhou is based in Sydney, NSW.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: Nil

Name: Hui ZHOU
Title: Non-Executive Director, Independent (appointed 1 August 2023)
Qualifications: Chartered Financial Analyst (CFA) qualification
Experience and expertise: Mr Hui Zhou is a director of XS Prime Limited and Odyssey Capital Funds Management Limited which are broking and financial advisory entities based in Sydney providing specialist broking, financial clearing and planning and funds management services to both private and institutional clients. Mr Zhou is based in Sydney, NSW.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: Nil

Name: Dr Kai Fatt (Joe) Wong (*resigned 23 February 2024*)
Title: Non-executive Chairman, Independent
Experience and expertise: Dr Wong has a Computer Science B.Sc. Degree and a Doctorate in Pharmacy and Healthcare Administration from the University of Louisiana, USA. After a stint with a large multinational pharmaceutical company, he joined a local stock broking house as an analyst before his appointment as Research Head and Dealing Manager in 1995. In 1997, he joined South Johore Securities SB as Business Development Senior Manager and later Affin - United Overseas Bank Securities in April 1998 as its Senior Vice President. Dr Wong assumed the role of Director at eAssetManagement on July 2002.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Member of Audit & Risk Committee and People & Remuneration Committee
Interests in shares: 3,080,000
Interests in options: 5,000,000
Interests in rights: 5,000,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mark Maine (appointed 28 February 2024) is a Senior Company Secretary, accountant, and corporate adviser with over 30 years' experience in corporate administration for Australian listed and unlisted companies. Mr Maine is a CPA and holds a Masters degree of commercial law and an Accounting degree from Curtin University in West Australia.

Meetings of Directors

	Full Board Attended	Held
Chin Kar YANG	4	4
Kay Wen CHEN	4	4
Alfonso Hin Ming CHU ¹	3	3
Gang ZHOU	3	3
Hui ZHOU	3	3
Dr Kai Fatt WONG ²	2	2

¹ Appointed on 1 August 2023

² Resigned on 23 February 2024

Held: represents the number of meetings held during the time the Director held office.

Resolutions passed by Circular Resolution of the Board are not reported in the above table.

Retirement, election and continuation in office of Directors

In accordance with the Constitution, one third of the previously elected Directors will retire at the next annual general meeting and all directors appointed since the date of the last annual general meeting, being eligible, offer themselves for re-election.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

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In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive Directors' remuneration

Non-executive Directors' fees and payments are reviewed annually by the Board in light of demands of the Directors from time to time and the financial condition of the Company.

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 18 December 2015, where the shareholders approved a maximum annual aggregate remuneration of \$250,000.

A Director may also be paid fees or other amounts as the Directors determines if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. No additional fees were paid to any non-executive Director during the financial period.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their Directorship or any special duties.

Executive remuneration

As a policy, in determining executive remuneration, the Board would endeavour to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

Until the Company develops its remuneration structure, the executive remuneration and reward framework has the following components that form the executive's total remuneration:

- base pay and non-monetary benefits and other remuneration such as superannuation;
- Short term incentives in the form of a cash remuneration bonus/benefit at the discretion of the Board;
- Long term incentives in the form of Options and Performance Rights.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example mobile phone benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Consolidated entity performance and link to remuneration

As the Company has not yet developed a reward framework, remuneration for certain individuals is not directly linked to the performance of the consolidated entity at the date of this report.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants

During the financial year ended 30 June 2024, no remuneration consultants were engaged.

Voting and comments made at the Company's Annual General Meeting ('AGM')

At the 25 November 2022 AGM, 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of directors and other key management personnel of the consolidated entity are set out in the following tables.

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The key management personnel of the consolidated entity consisted of the following Directors of VIP Gloves Limited:

- Chin Kar YANG - Managing Director
- Kay Wen CHEN - Executive Director
- Alfonso Hin Ming CHU - Non-Executive Director, Independent and Board Chair (appointed as director 1 August 2023)
- Gang ZHOU - Non-Executive Director, Independent (appointed 1 August 2023)
- Hui ZHOU - Non-Executive Director, Independent (appointed 1 August 2023)
- Dr Kai Fatt WONG - Non-Executive Chairman, Independent (resigned 23 February 2024)

And the following persons:

- Mark William MAINE - Company Secretary (*appointed 28 February 2024*)
- Heng Kiat SOONG - Chief Financial Officer (*appointed 1 December 2023*)
- Kah Wai WONG - General Manager

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
30 June 2024	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Alfonso Hin Ming CHU ²	33,000	-	-	-	-	-	33,000
Gang ZHOU ²	33,000	-	-	-	-	-	33,000
Hui ZHOU ²	33,000	-	-	-	-	-	33,000
Kai Fatt WONG ¹	40,000	-	-	-	-	-	40,000
<i>Executive Directors:</i>							
Chin Kar YANG	134,003	-	-	16,080	-	-	150,083
Kay Wen CHEN	112,887	-	-	16,324	-	-	129,211
<i>Other Key Management Personnel:</i>							
Mark Maine ³	16,000	-	-	-	-	-	16,000
Kay Shing CHEN ⁴	23,519	-	-	2,822	-	-	26,341
Ee Theng CHEN ⁴	15,827	-	-	2,058	-	-	17,885
Ruey Shen OW ⁵	9,096	-	-	-	-	-	9,096
Heng Kiat SOONG ⁶	18,192	-	-	-	-	-	18,192
Kah Wai WONG	65,361	-	-	7,843	-	-	73,204
	533,885	-	-	45,127	-	-	579,012

¹ Resigned on 23 February 2024

² Appointed on 1 August 2023

³ Appointed on 28 February 2024

⁴ Related to Executive Director, Kay Wen CHEN

⁵ Resigned on 15 October 2023

⁶ Appointed on 1 December 2023

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	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
30 June 2023	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Kai Fatt WONG	54,000	-	-	-	-	-	54,000
Peter Yee Ming NG ¹	32,000	-	-	-	-	-	32,000
How Weng CHANG ²	40,000	-	-	-	-	-	40,000
Joanne KING ³	31,000	-	-	-	-	-	31,000
<i>Executive Directors:</i>							
Jimmy YANG	239,303	-	-	28,294	-	-	267,597
Kay Wen CHEN	206,830	-	-	24,522	-	-	231,352
<i>Other Key Management Personnel:</i>							
Andrew METCALFE ⁴	55,932	-	-	-	-	-	55,932
Kay Shing CHEN ⁵	25,764	-	-	2,828	-	-	28,592
Ee Theng CHEN ⁵	16,679	-	-	1,835	-	-	18,514
Kai Wei CHEN ^{5 6}	8,439	-	-	928	-	-	9,367
Wilson Ow	31,769	-	-	-	-	-	31,769
Kelvin Wong	74,657	-	-	8,959	-	-	83,616
	<u>816,373</u>	<u>-</u>	<u>-</u>	<u>67,366</u>	<u>-</u>	<u>-</u>	<u>883,739</u>

¹. Resigned as a director 13 February 2023.

². Resigned as a director 1 April 2023.

³. Resigned as a director 20 February 2023.

⁴. Represents fees paid to Accosec & Associates, an entity controlled by Andrew METCALFE a former Company Secretary and CFO. Andrew resigned 3 May 2023.

⁵. *Related to Executive Director, Kay Wen CHEN.*

⁶. Resigned 16 February 2023.

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The proportion of remuneration received that was linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<i>Non-Executive Directors:</i>						
Alfonso Hin Ming CHU ¹	100%	-	-	-	-	-
Gang ZHOU ¹	100%	-	-	-	-	-
Hui ZHOU ¹	100%	-	-	-	-	-
Kai Fatt WONG ²	100%	100%	-	-	-	-
Peter Yee Ming NG ³	-	100%	-	-	-	-
How Weng CHANG ³	-	100%	-	-	-	-
Joanne KING ³	-	100%	-	-	-	-
<i>Executive Directors:</i>						
Chin Kar YANG	100%	100%	-	-	-	-
Kay Wen CHEN	100%	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
Andrew METCALFE ³	-	100%	-	-	-	-
Mark William MAINE ¹	100%	-	-	-	-	-
Ruey Shen OW ²	100%	100%	-	-	-	-
Heng Kiat SOONG ¹	100%	-	-	-	-	-
Kah Wai WONG	100%	100%	-	-	-	-
Kay Shing CHEN	100%	100%	-	-	-	-
Ee Theng CHEN	100%	100%	-	-	-	-

¹ Appointed during financial year ended 30 June 2024

² Resigned during financial year ended 30 June 2024

³ Resigned during financial year ended 30 June 2023

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Chin Kar YANG
Title: Managing Director – VIP Gloves Ltd, VIP Glove Sdn Bhd and KLE Products Sdn Bhd
Agreement commenced: 17 November 2017
Term of agreement: Termination on 3 months' notice
Details: Base fee of \$225,000 p.a., adjusted to \$120,000 p.a. with effect from 1 Sept 2023.

Name: Kay Wen Chen
Title: Executive Director
Agreement commenced: 10 June 2021
Term of agreement: Termination on 3 months' notice
Details: Base fee of \$195,000 p.a., adjusted to \$100,000 p.a. with effect from 1 Sept 2023

Name: Heng Kiat SOONG
Title: Chief Financial Officer
Agreement commenced: 1 December 2023
Term of agreement: Not applicable – termination on 1 months' notice
Details: Base fee for the year ending 30 June 2024 of \$32,000.

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Name: Mark William MAINE
Title: Company Secretary (Appointed 28 February 2024)
Agreement commenced: 28 February 2024
Term of agreement: Not applicable
Details: Consultancy fee of \$4,000 per month

Name: Alfonso Hin Ming Chu
Title: Non-Executive Director, Independent and Board Chair
Agreement commenced: 1 August 2023
Term of agreement: Not applicable
Details: Base fee of \$36,000 per annum, with effect from 1 Aug 2023

Name: Gang Zhou
Title: Non-Executive Director, Independent
Agreement commenced: 1 August 2023
Term of agreement: Not applicable
Details: Base fee of \$36,000 per annum, with effect from 1 Aug 2023

Name: Hui ZHOU
Title: Non-Executive Director, Independent
Agreement commenced: 1 August 2023
Term of agreement: Not applicable
Details: Base fee of \$36,000 per annum, with effect from 1 Aug 2023

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2024.

On 3 March 2023 all options issued to key management personnel were cancelled by agreement between the Company and the option holders. These options had fully vested in the prior year.

Performance rights

There were no performance rights over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2024.

On 3 March 2023 all performance rights were cancelled by agreement between the Company and the performance rights holders. These performance rights had fully vested in the prior year.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2024 are summarised below:

	2024	2023	2022	2021	2020
	\$	\$	\$	\$	\$
Revenue	2,867,812	1,743,030	10,597,008	48,123,312	13,696,465
Profit/(Loss) before income tax	(2,659,830)	(13,427,641)	(8,592,813)	8,870,445	(279,580)
Profit/(Loss) after income tax	(2,659,830)	(13,449,239)	(7,376,930)	4,717,409	116,056

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The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023 *	2022	2021	2020
Share price at financial year end (\$)	-	0.003	0.010	0.050	0.030
Basic earnings per share (cents per share)	(0.338)	(1.709)	(0.937)	0.620	0.020

* Share price of \$0.003 prior to suspension from quotation on 7 February 2023.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Kai Fatt WONG	3,080,000	-	-	-	3,080,000
Chin Kar YANG	12,500,000	-	-	-	12,500,000
Kay Wen CHEN**	59,545,948	-	-	-	59,545,948
	<u>75,125,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,125,948</u>

No other director or key management personnel holds shares in the Company.

Other transactions with key management personnel and their related parties

As at 30 June 2024, there are no loans outstanding between key management personnel and the consolidated entity as reported in note 20 to the financial statements. Except for these transactions, there are no other transactions with key management personnel and their related parties during the year ended 30 June 2024.

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of VIP Gloves Limited under option outstanding at the date of this report.

Shares under performance rights

There were no unissued ordinary shares of VIP Gloves Limited under performance rights outstanding at the date of this report.

Shares issued on the exercise of options

No ordinary shares of VIP Gloves Limited were issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of VIP Gloves Limited issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 17 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in the Audit fee note to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Independence Standards and APES 110 Code of Ethics for Professional Accountants (including Independent Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Non-audit services provided during the financial year by the audit firm were for tax advisory services totalling \$1,250.

There were no other non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Hall Chadwick Melbourne Chartered Accountants

There are no officers of the Company who are former partners of Hall Chadwick Melbourne Chartered Accountants or the previous auditor William Buck.

Auditor's independence declaration

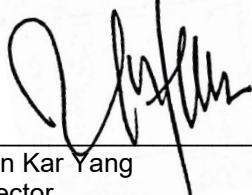
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

Hall Chadwick Melbourne Chartered Accountants continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Chin Kar Yang
Director

4th February 2025

VIP GLOVES LIMITED
ABN 83 057 884 876

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF VIP GLOVES LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of VIP Gloves Limited and controlled entities. As the lead audit partner for the audit of the financial report of VIP Gloves Limited for the year ended 30 June 2024, I declare
that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independent requirements as set out in the Corporation Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Anh (Steven) Nguyen
Director

Date: 4 February 2025

Hall Chadwick Melbourne
Level 14 440 Collins Street
Melbourne VIC 3000

VIP Gloves Limited**Contents****30 June 2024**

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General information

The financial statements cover VIP Gloves Limited as a consolidated entity consisting of VIP Gloves Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is VIP Gloves Limited's functional and presentation currency.

VIP Gloves Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/- Coote & Associates
C7, 1-3 The Esplanade,
Mount Pleasant, WA 6153
Australia

Principal place of business

No. 17 Jalan Perusahaan 1,
Kawasan Perusahaan, Beranang
43700 Beranang, Selangor Darul Ehsan
Malaysia

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 4th February 2025. The Directors have the power to amend and reissue the financial statements.

VIP Gloves Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
Revenue			
Revenue	4	2,867,812	1,743,030
Cost of goods sold		(2,868,170)	(3,534,256)
Gross (loss)/profit		(358)	(1,791,226)
Other income		275,622	39,650
Interest revenue		666	15
Net gain on disposal of property, plant and equipment	5	-	1,273,006
Expenses			
Employee benefits expense		(561,786)	(897,415)
Depreciation and amortisation expense	6	(176,161)	(214,435)
Impairment of property, plant & equipment	6	(631,147)	(10,543,758)
Writeback of inventory impairment		-	79,095
Legal and professional fees		(327,089)	(628,858)
Movement in provision for expected credit losses		(649,625)	109,655
Administration expenses		(253,355)	(460,205)
Finance costs	6	(336,597)	(393,165)
Total expenses		(2,935,760)	(12,949,086)
Loss before income tax expense		(2,659,830)	(13,427,641)
Income tax expense		-	(21,598)
Loss after income tax expense for the year		(2,659,830)	(13,449,239)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		155,307	35,826
Other comprehensive income for the year, net of tax		155,307	35,826
Total comprehensive income for the year		<u>(2,504,523)</u>	<u>(13,413,413)</u>
		Cents	Cents
Basic loss per share	25	(0.338)	(1.709)
Diluted loss per share	25	(0.338)	(1.709)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

VIP Gloves Limited
Statement of financial position
As at 30 June 2024

		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		18,117	452,891
Trade and other receivables	7	142,496	2,410,401
Deposits with suppliers		679,947	704,856
Income tax refund due		-	149,615
Prepayments		36,195	214,690
		<u>876,755</u>	<u>3,932,453</u>
Other receivables	9	2,542,950	2,563,443
Total current assets		<u>3,419,705</u>	<u>6,495,896</u>
Non-current assets			
Property, plant and equipment	10	104,851	298,268
Right-of-use assets	8	-	600,099
Total non-current assets		<u>104,851</u>	<u>898,367</u>
Total assets		<u>3,524,556</u>	<u>7,394,263</u>
Liabilities			
Current liabilities			
Trade and other payables	11	3,709,112	4,238,256
Prepaid sales from nitrile glove customers		304,270	306,722
Other financial liabilities	12	199,317	657,806
Lease liabilities	13	428,257	406,505
Property sales tax liability (Malaysia)		173,316	-
Total current liabilities		<u>4,814,272</u>	<u>5,609,289</u>
Non-current liabilities			
Other financial liabilities	12	1,118,738	1,254,468
Lease liabilities	13	338,529	772,966
Total non-current liabilities		<u>1,457,267</u>	<u>2,027,434</u>
Total liabilities		<u>6,271,539</u>	<u>7,636,723</u>
Net liabilities		<u>(2,746,983)</u>	<u>(242,460)</u>
Equity			
Issued capital	14	21,669,410	21,669,410
Reserves		(934,418)	(1,089,725)
Accumulated losses		<u>(23,481,975)</u>	<u>(20,822,145)</u>
Total deficiency in equity		<u>(2,746,983)</u>	<u>(242,460)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

VIP Gloves Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital \$	Share-based payments reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2022	21,669,410	4,365,765	(1,125,551)	(11,738,671)	13,170,953
Loss after income tax expense for the year	-	-	-	(13,449,239)	(13,449,239)
Other comprehensive income for the year, net of tax	-	-	35,826	-	35,826
Total comprehensive income for the year	-	-	35,826	(13,449,239)	(13,413,413)
<i>Transactions with owners in their capacity as owners:</i>					
Cancellation of options and performance rights	-	(4,365,765)	-	4,365,765	-
Balance at 30 June 2023	<u>21,669,410</u>	<u>-</u>	<u>(1,089,725)</u>	<u>(20,822,145)</u>	<u>(242,460)</u>

Consolidated	Issued capital \$	Foreign currency translation reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2023	21,669,410	(1,089,725)	(20,822,145)	(242,460)
Loss after income tax expense for the year	-	-	(2,659,830)	(2,659,830)
Other comprehensive income for the year, net of tax	-	155,307	-	155,307
Total comprehensive income for the year	-	155,307	(2,659,830)	(2,504,523)
Balance at 30 June 2024	<u>21,669,410</u>	<u>(934,418)</u>	<u>(23,481,975)</u>	<u>(2,746,983)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

VIP Gloves Limited
Statement of cash flows
For the year ended 30 June 2024

		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
Cash flows from operating activities			
Receipts from customers		2,640,291	2,682,353
Payments to suppliers and employees		(4,398,030)	(3,394,769)
		(1,757,739)	(712,416)
Interest received		666	15
Interest and other finance costs paid		(336,597)	(393,165)
Income tax refunded		327,137	2,030,835
Income taxes paid		-	(535,748)
Net cash from/(used in) operating activities	24	(1,766,533)	389,521
Cash flows from investing activities			
Payments for property, plant and equipment		(3,990)	(18,043)
Proceeds received from sale and leaseback transaction		2,359,207	-
Net cash from/(used in) investing activities		2,355,217	(18,043)
Cash flows from financing activities			
Proceeds from borrowings		-	1,962,407
Repayment of borrowings and term loan		(522,493)	(1,770,191)
Payment of lease liabilities		(409,991)	(97,863)
Proceeds from / (repayment) of borrowings from related parties		4,980	24,469
Convertible note deposits refunded		(98,706)	-
Net cash from/(used in) financing activities		(1,026,210)	118,822
Net increase/(decrease) in cash and cash equivalents		(437,526)	490,300
Cash and cash equivalents at the beginning of the financial year		452,891	15,884
Effects of exchange rate changes on cash and cash equivalents		2,752	(53,293)
Cash and cash equivalents at the end of the financial year		<u>18,117</u>	<u>452,891</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The consolidated entity has also early adopted the amendments to AASB 101 with respect to Material Accounting Policy information.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the year ended 30 June 2024, the consolidated entity recorded a loss of \$2,659,830, had net cash outflows from operating activities of \$1,766,533. As at 30 June 2024 the consolidated entity had net current liabilities of \$1,394,567.

These conditions above indicate that a material uncertainty exists that may cast significant doubt about the consolidated entity's ability to continue as a going concern, and therefore, whether it will be able to realise its assets and extinguish its assets and liabilities in the normal course of business. The ability to minimize future losses and return to profitability is dependent upon a number of factors including expansion into new markets and the supply of gloves with greater margins, a return to normalised average selling prices across the glove manufacturing industry, reducing operating costs particularly labour costs, and seeking new opportunities for the Company.

The Directors believe there are reasonable grounds to believe the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The consolidated entity has initiated a cost reduction process, which has seen its monthly cash outflows substantially reduce in the period from 30 June 2023 through to today's date;
- Since 30 June 2023 the consolidated entity has continued to reduce corporate overheads spending;
- In February 2023 the consolidated entity completed a sale and leaseback transaction, which netted in approximately A\$5.6m with the final instalment of A\$2.3m received during the current reporting period and applied to further debt retirement;
- In May 2024, the consolidated entity executed an agreement to sell surplus land for cash consideration of approximately A\$2.6 million. After year end, the debt attached to the asset was redeemed, and by early 2025 the full settlement is expected to contribute a further A\$1.0m to working capital; and
- The consolidated entity has announced plans, subject to ASX trading suspension being lifted, to raise approximately A\$1.8m from a share placement.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Large shareholder groups and a related party have written to the Company advising of their ability and intention, if needs be, to provide financial support for a period of at least 16 months from the date of this report.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Note 1. Material accounting policy information (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Note 1. Material accounting policy information (continued)

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings and improvements	50 years
Plant and equipment	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Impairment of property, plant and equipment

The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

During the previous financial year, the fair value of plant and equipment was assessed on under a discounted cashflow model and significant impairments were booked against the carrying value of plant and equipment, leasehold buildings and capital works in progress. During the current reporting period the directors have assessed that no reasonable change has occurred in any of the inputs to the discounted cashflow model.

Refer note 10 'Property, plant and equipment'.

The consolidated entity has previously engaged an independent accredited valuation firm to undertake a fair value assessment of land and buildings, and a separate independent assessment to value the plant and equipment.

Impairment of "right-of-use" assets

At the end of each reporting period the consolidated entity assesses impairment of its rights to use assets under lease by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Based on the above, during the current reporting period, the directors fully impaired the carry value of rights of use over leasehold property.

Refer note 8 'Right-of-use assets'.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 3. Operating segments

Identification of reportable operating segments

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the Chief Operating Decision Maker (CODM) (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

The consolidated entity has determined that it has only one operating segment, being a nitrile glove manufacturing/ trading business in Malaysia. However, the consolidated entity has operated across two geographical locations, Malaysia and Australia. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on a monthly basis.

The Company is domiciled in Australia. Revenue from external customers is generated in Malaysia. Assets are located in Malaysia and Australia.

VIP Gloves Limited
Notes to the financial statements
30 June 2024

Note 3. Operating segments (continued)

Operating segment information

	Malaysia \$	Australia \$	elimination / unallocated \$	Total \$
Consolidated - 30 June 2024				
Revenue				
Sales to external customers	2,867,812	-	-	2,867,812
Other revenue	275,622	-	-	275,622
Interest revenue	666	-	-	666
Total revenue	3,144,100	-	-	3,144,100
EBITDA*	(1,910,590)	(237,138)	-	(2,147,728)
Depreciation and amortisation	(176,171)	-	-	(176,171)
Interest revenue	666	-	-	666
Finance costs	(336,593)	(4)	-	(336,597)
Loss before income tax expense	(2,422,688)	(237,142)	-	(2,659,830)
Income tax expense				-
Loss after income tax expense				(2,659,830)
Assets				
Segment assets	3,516,275	8,281	-	3,524,556
Total assets				3,524,556
Liabilities				
Segment liabilities	5,876,937	394,602	-	6,271,539
Total liabilities				6,271,539
Consolidated - 30 June 2023				
Revenue				
Sales to external customers	1,743,030	-	-	1,743,030
Interest revenue	14	1	-	15
Total revenue	1,743,044	1	-	1,743,045
EBITDA*	(11,909,781)	(10,463,827)	10,216,261	(12,157,347)
Depreciation and amortisation	(877,144)	-	-	(877,144)
Interest revenue	15	-	-	15
Finance costs	(393,165)	-	-	(393,165)
Profit/(loss) before income tax expense	(13,180,075)	(10,463,827)	10,216,261	(13,427,641)
Income tax expense				(21,598)
Loss after income tax expense				(13,449,239)
Assets				
Segment assets	7,392,445	2,677,097	(2,675,279)	7,394,263
Total assets				7,394,263
Liabilities				
Segment liabilities	9,995,039	316,963	(2,675,279)	7,636,723
Total liabilities				7,636,723

* The EBITDA calculation includes an impairment recognised in Malaysia of \$10,543,758.

Note 4. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
<i>Major product lines</i>		
Nitrile gloves – VIP Glove Sdn Bhd	-	481,582
Trading activity - nitrile gloves sourced from third party manufacturers	2,867,812	1,261,448
	<u>2,867,812</u>	<u>1,743,030</u>

Geographical regions

All revenue is earned by Malaysian subsidiaries, and from operations in Malaysia.

Information about major customers:

The consolidated entity had the following major customers with revenues amounting to 10 percent or more of total group revenues:

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	%	%
Customer #1	13%	18%
Customer #2	-	14%
Customer #3	-	14%
Customer #4	-	12%

Note 5. Net gain on disposal of property, plant and equipment

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
Net gain on disposal of property, plant and equipment	-	1,273,006

Reconciliation of Net gain on disposal of property, plant and equipment

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
Proceeds on sale of factory land & building	-	5,625,786
Written down value of Leasehold land - right of use, at time of sale	-	(2,883,301)
Commission	-	(506,321)
Property sale tax adjustment	-	(269,400)
Net impact of right of use asset and lease liability recognised due to legacy sale and leaseback arrangement	-	(693,758)
	<u>-</u>	<u>(693,758)</u>
	<u>-</u>	<u>1,273,006</u>

Note 5. Net gain on disposal of property, plant and equipment (continued)

The proceeds on sale of factory land and buildings were applied as follows:

	Consolidated 30 June 2023 \$
Total Proceeds	5,625,786
Retirement of debt	(631,810)
Retirement of trade payables	(219,863)
Reduction against deposit received	(1,350,773)
Expenses paid via net settlement:	
- Commissions	(506,321)
- Real Property tax (partly)	(168,774)
- Legal fees	(150,764)
- Stamping fees	(3,816)
- Quit and rent assessment	(17,637)
Exchange differences	(235,058)
Amount receivable as at 30 June 2023 - refer note 7 'Trade and other receivables'	<u>2,340,970</u>

Note 6. Expenses

	Consolidated 30 June 2024 \$	30 June 2023 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Motor vehicles	46,896	50,018
Office equipment	12,845	13,084
Leasehold buildings	3,197	9,819
Land right-of-use assets	-	86,960
Land and building right-of-use assets	113,223	54,554
Total depreciation	<u>176,161</u>	<u>214,435</u>
<i>Depreciation included in cost of goods sold</i>		
Plant and equipment	-	662,709
Total depreciation and amortisation	<u>176,161</u>	<u>877,144</u>
<i>Provision for impairment</i>		
Impairment of right of use assets	495,967	-
Impairment of property, plant and equipment	135,180	10,543,758
Total impairment	<u>631,147</u>	<u>10,543,758</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	278,468	329,263
Interest and finance charges paid/payable on lease liabilities	58,129	63,902
Finance costs expensed	<u>336,597</u>	<u>393,165</u>

Note 7. Trade and other receivables

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Current assets</i>		
Trade receivables	1,162,640	507,894
Less: Allowance for expected credit losses	(1,020,144)	(506,282)
	<u>142,496</u>	<u>1,612</u>
Receivable from sale of leasehold land & buildings	-	2,340,970
Other receivables	-	67,819
	<u>142,496</u>	<u>2,410,401</u>

Allowance for expected credit losses

During the current reporting period the consolidated entity recognised a loss of \$649,625 (2023: \$109,655 writeback) in relation to expected credit losses.

The ageing of the trade receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Consolidated	%	%	\$	\$	\$	\$
Over 6 months overdue	88.00%	99.68%	<u>1,162,640</u>	<u>507,894</u>	<u>1,020,144</u>	<u>506,282</u>

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Opening balance	506,282	699,324
Additional allowance / (writebacks) recognised during the period	649,625	(109,655)
Foreign currency translation	(12,274)	(83,387)
Receivables written off during the year as uncollectable	(123,489)	-
Closing balance	<u>1,020,144</u>	<u>506,282</u>

Note 8. Right-of-use assets

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	654,653	654,653
Less: Accumulated depreciation	(145,151)	(54,554)
Less: Impairment	(509,502)	-
	<u>-</u>	<u>600,099</u>

Note 8. Right-of-use assets (continued)

During the year ended 30 June 2023 the Company entered into a sale and leaseback agreement for its leasehold land and buildings. The lease commenced on 1 April 2023 with an initial term was 3 years + 3 years (with 10% annual increment in lease payments) and subject to mutual agreement of both parties, a further term of 3 years + 3 years (with 15% annual increment in lease payments).

The right of use asset was fully impaired during the reporting period, following a review of its recoverable amount.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings - right-of-use	Total
	\$	\$
Consolidated		
Balance at 1 July 2022	-	-
Additions	654,653	654,653
Depreciation expense	(54,554)	(54,554)
Balance at 30 June 2023	600,099	600,099
Exchange differences	9,091	9,091
Impairment of assets	(495,967)	(495,967)
Depreciation expense	(113,223)	(113,223)
Balance at 30 June 2024	-	-

Refer to note 13 'Lease liabilities' for details.

Note 9. Other receivables

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Asset held for sale	2,542,950	2,563,443

On 2 May 2024, KLE Products Sdn Bhd (a wholly owned subsidiary) entered into a Sale and Purchase Agreement with Messrs Target Precast Industries Sdn Bhd for the disposal of a non-core vacant land measuring 13,203 sq meter for a total cash consideration of RM7,952,313 (approx. AUD \$2.56 million). After net off mortgage redemption, payment of tax and legal fee, the total cash inflow from this exercise is expected to be about \$1.0 million as working capital for the group. The transaction is targeted to complete by early 2025.

VIP Gloves Limited
Notes to the financial statements
30 June 2024

Note 10. Property, plant and equipment

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	13,596,890	13,596,890
Less: Accumulated depreciation	(5,506,966)	(5,506,966)
Less: Impairment	(8,089,924)	(8,089,924)
	<u>-</u>	<u>-</u>
Motor vehicles - at cost	242,645	244,601
Less: Accumulated depreciation	(182,704)	(137,641)
	<u>59,941</u>	<u>106,960</u>
Office equipment - at cost	136,411	133,488
Less: Accumulated depreciation	(91,501)	(79,492)
	<u>44,910</u>	<u>53,996</u>
Leasehold buildings	778,585	786,601
Less: Accumulated depreciation	(141,740)	(140,198)
Less: Impairment	(636,845)	(509,091)
	<u>-</u>	<u>137,312</u>
Capital works in progress	1,762,353	1,762,353
Less: Impairment	(1,762,353)	(1,762,353)
	<u>-</u>	<u>-</u>
	<u><u>104,851</u></u>	<u><u>298,268</u></u>

(i) Property, plant and equipment

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold buildings \$	Plant & equipment \$	Office equipment \$	Motor Vehicles \$	Capital works in progress \$	Leasehold land - right- of-use* \$	Total \$
Consolidated							
Balance at 1 July 2022	1,612,793	8,822,266	67,571	159,113	1,786,676	4,641,856	17,090,275
Additions	2,813	-	645	-	14,585	-	18,043
Classified as held for sale (note 9)	-	-	-	-	-	(2,563,443)	(2,563,443)
Disposals	(936,861)	-	-	-	-	(1,946,373)	(2,883,234)
Exchange differences	(8,977)	15,224	(1,136)	(2,135)	7,940	(7,941)	2,975
							(10,543,758)
Impairment of assets	(522,637)	(8,174,781)	-	-	(1,809,201)	(37,139)	-
Depreciation expense	(9,819)	(662,709)	(13,084)	(50,018)	-	(86,960)	(822,590)
Balance at 30 June 2023	137,312	-	53,996	106,960	-	-	298,268
Additions	-	-	3,990	-	-	-	3,990
Exchange differences	1,065	-	(231)	(123)	-	-	711
Impairment of assets	(135,180)	-	-	-	-	-	(135,180)
Depreciation expense	(3,197)	-	(12,845)	(46,896)	-	-	(62,938)
Balance at 30 June 2024	<u>-</u>	<u>-</u>	<u>44,910</u>	<u>59,941</u>	<u>-</u>	<u>-</u>	<u>104,851</u>

Note 10. Property, plant and equipment (continued)

As management considers there to be only one operating segment, the impairment assessments that performed during the current and previous reporting periods were based on this single cash generating unit (CGU).

As at 30 June 2023, the Group recognised an impairment loss of AUD \$10,543,758 related to its Malaysian subsidiary's property, plant, and equipment. This was due to temporarily shut down of production, hence a prudent practice is to write down the assets. The recoverable amount was determined based on the value in use, using a pre-tax discount rate of 20% and a growth rate of 2.5%. These rates reflect the risks specific to the Malaysian market and the subsidiary's business model. A sensitivity analysis indicated that a 1% increase in the discount rate would reduce the recoverable amount by AUD \$2,983. Management believes that the assumptions used are appropriate under the current circumstances, although changes in future market conditions could impact these estimates. There is no reasonable adjustment to any of the inputs into the model that could materially impact the impairment outcome.

As at 30 June 2024, following the same process above, the Group fully impaired leasehold buildings with resulting in an expense of \$135,180.

Note 11. Trade and other payables

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	2,167,989	2,683,275
Other payables and accruals	1,541,123	1,554,981
	<u>3,709,112</u>	<u>4,238,256</u>

Refer to note 15 for further information on financial risk management.

Note 12. Other financial liabilities

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Current liabilities</i>		
Term loans	150,841	152,057
Amounts payable to related parties	48,476	43,496
Other loans	-	365,547
Deposit for convertible notes	-	96,706
	<u>199,317</u>	<u>657,806</u>
<i>Non-current liabilities</i>		
Term loans	1,118,738	1,254,468
	<u>1,318,055</u>	<u>1,912,274</u>

Refer to note 15 for further information on financial risk management.

Term loan

The interest-bearing term loan (at BLR 7 + 1.25%) is secured over the Company's leasehold land and buildings, together with joint and several guarantees over the Company and some of its Directors.

Other loans

Note 12. Other financial liabilities (continued)

The non-related party unsecured loans remaining at 30 June 2023 were at 0.00% interest with no equity conversion features and during the current reporting period were repaid in full.

Convertible notes

On 27 July 2023, as the convertible notes were not issued, the Company refunded the convertible notes plus interest to the noteholder.

Note 13. Lease liabilities

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	428,257	406,505
<i>Non-current liabilities</i>		
Lease liability	338,529	772,966
	<u>766,786</u>	<u>1,179,471</u>

During the current financial period the Company entered into a sale and leaseback agreement for its leasehold land and buildings. The lease commenced on 1 April 2023 with an initial term was 3 years + 3 years (with 10% annual increment in lease payments) and subject to mutual agreement of both parties, a further term of 3 years + 3 years (with 15% annual increment in lease payments).

During the year ended 30 June 2023, the right-of-use-asset was reduced by \$622,681 due to a gain arising from the sale and leaseback transaction. Refer to note 5 'Net gain on disposal of property, plant and equipment'.

During the current reporting period, the right of use asset was fully impaired. Refer to note 8 'Right-of-use assets'.

Note 14. Issued capital

	Consolidated			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>786,781,435</u>	<u>786,781,435</u>	<u>21,669,410</u>	<u>21,669,410</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Polls are required for all significant resolutions and under a poll each share held by members present in person or by proxy shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Note 14. Issued capital (continued)

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2023 Financial Report.

Note 15. Financial risk management

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

The consolidated entity holds the following financial instruments at the end of the financial year.

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Financial Assets		
Cash and cash equivalents	18,117	452,891
Term deposits	679,947	704,856
Trade and other receivables	142,496	2,410,401
Total financial assets	<u>840,560</u>	<u>3,568,148</u>
Financial Liabilities		
Trade and other payables	3,709,112	4,238,256
Other financial liabilities (borrowings)	1,318,055	1,912,274
Lease liabilities	766,786	1,179,471
Total financial liabilities	<u>5,793,953</u>	<u>7,330,001</u>

Market risk

Price risk

The consolidated entity is not exposed to any significant price risk.

Note 15. Financial risk management (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a pay-in-advance policy on all glove order contracts received, whereby 30% of the value of the order is received in advance. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management helps the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

There were no unused borrowing facilities at the reporting date.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2024	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade & other payables	-	3,709,112	-	-	-	3,709,112
Amounts payable to related parties	-	48,476	-	-	-	48,476
<i>Interest-bearing - fixed rate</i>						
Term loans	7.00%	150,841	1,118,738	-	-	1,269,579
Lease liabilities	6.00%	428,257	338,529	-	-	766,786
Total non-derivatives		4,336,686	1,457,267	-	-	5,793,953
<hr/>						
Consolidated - 30 June 2023	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade & other payables	-	4,238,256	-	-	-	4,238,256
Amounts payable to related parties	-	43,496	-	-	-	43,496
Other loans	-	365,547	-	-	-	365,547
<i>Interest-bearing - fixed rate</i>						
Deposit for convertible notes payable	9.00%	96,706	-	-	-	96,706
Term loans	7.00%	152,057	1,254,468	-	-	1,406,525
Lease liabilities	6.00%	406,505	406,505	366,461	-	1,179,471
Total non-derivatives		5,302,567	1,660,973	366,461	-	7,330,001

Note 15. Financial risk management (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 16. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
Short-term employee benefits	533,885	816,373
Post-employment benefits	45,127	67,366
	<u>579,012</u>	<u>883,739</u>

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Hall Chadwick Melbourne Chartered Accountants, the auditor of the Company, and its network firms:

	Consolidated	Consolidated
	30 June 2024	30 June 2023
	\$	\$
<i>Audit services — Hall Chadwick (2023: William Buck)</i>		
Audit or review of the financial statements	41,000	73,700
<i>Other services — Hall Chadwick (2023: William Buck)</i>		
Tax advisory services	-	1,250
	<u>41,000</u>	<u>74,950</u>
<i>Audit services - network firms</i>		
Audit or review of the financial statements	9,083	6,452

Note 18. Contingent liabilities

In November 2020, VIP received a Writ of Summons, served in Malaysia, from ACE Solutions Investments Ltd (Plaintiff), a BVI registered company, alleging that the Company has denied the Plaintiff the right to receive a placement of 74.5 million shares in the Company at a price of \$0.04 per share on the basis of wrongful and unlawful breach of a purported agreement between the Plaintiff and Company representatives. On 25 October 2021 the Company was successful in its application to strikeout the action. However, the Court of Appeal had allowed the Plaintiff's appeal and the matter has now remitted to Kuala Lumpur High Court. The trial date has been fixed in April 2025.

The Company's appointed legal representatives will continue to vigorously defend against the Plaintiff's claim. It is not practicable to provide an estimate of the financial effect of the legal action as it cannot be predicted given the level of uncertainty.

Note 19. Commitments

Committed capital expenditure at 30 June 2024 is \$NIL (2023: \$NIL).

Note 19. Commitments (continued)

Planned capital expenditure not yet committed at 30 June 2024 is \$NIL (2023: \$NIL).,

Note 20. Related party transactions

Parent entity

VIP Gloves Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

Key management personnel

Disclosures relating to key management personnel are set out in note 16 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no other transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Current payables:		
Trade payables to Directors	-	58,300
Accrued Directors' fees	454,651	343,294
Amounts payable to Directors	43,380	43,496
Amounts payable to key management personnel (KMP)	5,096	-

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax	(2,746,665)	(10,463,827)
Total comprehensive income	(2,746,665)	(10,463,827)

Note 21. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2024	30 June 2023
	\$	\$
Total current assets	4,291	1,818
Total assets	8,281	2,676,997
Total current liabilities	394,602	316,653
Total liabilities	394,602	316,653
Equity		
Issued capital	21,699,410	21,699,410
Accumulated losses	(22,085,731)	(19,339,066)
Total equity/(deficiency)	(386,321)	2,360,344

The Parent entity comparatives have been restated to correct an offsetting error between issued capital and accumulated losses.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2024	30 June 2023
		%	%
KLE Products Sdn Bhd	Malaysia	100.00%	100.00%
VIP Glove Sdn Bhd	Malaysia	100.00%	100.00%
VIP PPE Pty Ltd	Australia	100.00%	100.00%

Note 23. Events after the reporting period

On 3 May 2024, the Company entered into a Sale and Purchase Agreement for the disposal of a non-core vacant land asset measuring 13,203 sqm for a cash consideration of approximately \$2.65 million (MYR7,952,313). After year end, the term loan as per note 12 attached to the asset was redeemed, and the transaction is earmarked for full completion by early 2025.

Note 23. Events after the reporting period (continued)

The Company has started the refurbishment of its plants and machineries since mid-2024 and has resumed manufacturing operations with one (1) production line in operations since January 2025. It plans to increase its production capacity gradually. In line with the increase in orderbooks, and targets to achieve full capacity of with six (6) lines in operations by the third quarter of 2025.

The legal case initiated by the plaintiff since November 2020 is still on-going. (For further details, refer to note 18 'Contingent liabilities').

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 24. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax expense for the year	(2,659,830)	(13,449,239)
Adjustments for:		
Depreciation and amortisation	176,161	877,144
Impairment of property, plant and equipment	631,147	10,543,758
Net gain on disposal of property, plant and equipment	-	(1,273,006)
Provision for credit loss expense / (reversals)	649,625	(109,655)
Impairment of inventory	-	(79,095)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(500,691)	(10,094)
Decrease in inventories	-	853,669
Decrease in income tax refund due	153,821	2,030,835
Decrease in other operating assets	203,404	32,810
Increase/(decrease) in trade and other payables	(591,034)	1,711,302
Decrease in prepaid sales from nitrile glove customers	(2,452)	(224,758)
Increase/(decrease) in provision for income tax	173,316	(514,150)
Net cash from/(used in) operating activities	<u>(1,766,533)</u>	<u>389,521</u>

Note 25. Earnings per share

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Loss after income tax	<u>(2,659,830)</u>	<u>(13,449,239)</u>
	Cents	Cents
Basic loss per share	(0.338)	(1.709)
Diluted loss per share	(0.338)	(1.709)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>786,781,435</u>	<u>786,781,435</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>786,781,435</u>	<u>786,781,435</u>

Note 25. Earnings per share (continued)

There were no outstanding and options and performance rights at the end of the year.

VIP Gloves Limited
Consolidated entity disclosure statement
As at 30 June 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
KLE Products Sdn Bhd	Body corporate	Malaysia	100.00%	Malaysia
VIP Glove Sdn Bhd	Body corporate	Malaysia	100.00%	Malaysia
VIP PPE Pty Ltd	Body corporate	Malaysia	100.00%	Malaysia

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

- Australian tax residency - The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency - Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).
- Partnerships and Trusts - None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

VIP Gloves Limited
Directors' declaration
30 June 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Chin Kar Yang
Director

4th February 2025

VIP GLOVES LIMITED
83 057 884 876

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIP GLOVES LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Report on the Financial Report

Opinion

We have audited the financial report of VIP Gloves Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, consolidated entity disclosure statement and the Directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if give to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a loss before tax of \$2,659,830 and had net cash outflows from operating activities of \$1,766,533 during the year ended 30 June 2024. As at 30 June 2024, the entity had net current liabilities of \$1,394,567. These conditions, along with other matters described in Note 1, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>Recognition of revenue</p> <p>As at 30 June 2024, sales revenue totalled \$2,867,812. The Group did not resume manufacturing operations during the year and continued to fulfill customer orders by purchasing gloves from third-party suppliers, as this approach yields a better gross margin than manufacturing the gloves in-house.</p> <p>The Group's trading revenue is recognised at a point in time, specifically upon the transfer of title of its product to the customer. To secure product, some customers prepay ahead of delivery, while others have in-arrears credit terms.</p> <p>We consider this a key audit matter due to the variability in trading terms with customers, which adds complexity to the timing and cut-off of revenue recognition.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Assess the compliance of the Group's revenue recognition accounting policy with AASB 15 <i>Revenue from Contracts with Customers</i>, including the identification of a contract with a customer and determination of the transaction price. Instruct the component auditor to perform revenue testing by agreeing a sample of sale transactions during the year to underlying supporting documentation, including delivery notes and banking receipts. Instruct the component auditor to examine revenue cut-off at year-end to ensure that revenues are recognised in the appropriate period. This included reviewing materially large sales orders in the final quarter of the year to assess if any revenue is to be recognised as being received in advance. Review the component auditor's workpapers for key findings.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>Assets held for sale</p> <p>During the year ended 30 June 2023, Lot 14 and the building constructed on it were sold, resulting in a gain on disposal being recognised. The receivable, after settling all costs related to the sale and repaying other loans payable to third parties, was received during the year ended 30 June 2024.</p> <p>Additionally, a sales and purchase agreement was also signed for the sale of Lot 15. The carrying value of Lot 15 had been impaired to align with its sale price, and it has been reclassified as asset held for sale.</p> <p>Due to the significance of judgments and estimates involved in determining the carrying value of land and buildings sold during the year, as well as the value of land recognised as a non-current asset held for sale, we consider this a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Instruct the component auditor to verify that the proceeds from the sale of land and buildings that occurred in the previous year are reflected in the bank statements. Instruct the component auditor to assess whether further impairment of the amount recognised as asset held for sale is required during the year. Instruct the component auditor to obtain relevant information about the events that occurred after the year end and evaluate whether any adjustment is required to the carrying amount. Reviewing the component auditor's workpaper for key findings.

Information Other Than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 11 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of VIP Gloves Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of VIP Gloves Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Anh (Steven) Nguyen

Director

Hall Chadwick Melbourne Audit

Level 14 440 Collins Street

Melbourne VIC 3000

Date: 4 February 2025

VIP Gloves Limited
Shareholder information
30 June 2024

The shareholder information set out below was applicable as at 15 January 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of ordinary shares	Number of holders of options	Number of options	Number of holders of performance rights	Number of performance rights
1 to 1,000	43	7,403	-	-	-	-
1,001 to 5,000	62	215,695	-	-	-	-
5,001 to 10,000	63	501,442	-	-	-	-
10,001 to 100,000	600	25,851,767	-	-	-	-
100,001 and over	319	760,205,128	-	-	-	-
	<u>1,087</u>	<u>786,781,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Holdings of less than a marketable parcel	659	16,985,414	-	-	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
LEADING AND JUNCTION SDN BHD	128,074,644	16.28
CITICORP NOMINEES PTY LIMITED	116,751,783	14.84
MS KAY WEN CHEN	59,545,948	7.57
ENDLESS EARNINGS SDN BHD	45,634,862	5.80
MR CHOONG CHOY LEE	40,293,217	5.12
LEE KEONG WONG	23,471,165	2.98
BNP PARIBAS NOMINEES PTY LTD IB AU NOMS RETAILCLIENT>	21,746,406	2.76
CHIN KAR YANG	12,500,000	1.59
MR LIGE WANG	11,627,622	1.48
MR TING LIAN LOO	10,105,140	1.28
MR LACHLAN JAMES MCALPINE	10,000,000	1.27
YAT YIN TAI	10,000,000	1.27
MS MAY THIAN	9,887,123	1.26
LEE KEONG WONG	9,177,950	1.17
MR KENG TAK SOONG	9,073,664	1.15
MR HOW WENG CHANG	7,111,320	0.90
HSBC CUSTODY NOMINEES	7,089,478	0.90
HEE KIN PANG	7,064,667	0.90
HU WANG	6,980,589	0.89
YOKE MEI CHON	6,834,706	0.87
	<u>552,970,284</u>	<u>70.28</u>

VIP Gloves Limited
Shareholder information
30 June 2024

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
LEADING AND JUNCTION SDN BHD	128,074,644	16.28
MS KAY WEN CHEN	59,545,948	7.57
ENDLESS EARNINGS SDN BHD	45,634,862	5.80
MR CHOONG CHOY LEE	40,293,217	5.12

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.